

Affordable Care Act: Where Are We Now?

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Access to Care Program



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American Healthcare Act (AHCA)

- May 24, 2017: The U.S. House passed the American Health Care Act (H.R. 1628) to partially repeal and replace the Affordable Care Act (ACA), also known as Obamacare.
- The U.S. Senate is currently developing its own version of the legislation.



What Changes?



PLAN B

~~PLAN A~~

The Marketplace



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The AHCA Eliminates:

- Individual penalties for not having health coverage.
- Penalties for employers that do not offer coverage.
- Cost sharing reductions in the Marketplace. (2019)
- States option to expand Medicaid. (2018)
- Medicaid enrollment for new enrollees. (2020)
- Retroactive coverage for enrollees in Medicaid.
- The Prevention and Public Health Fund.

The AHCA Changes:

Premiums and Penalties:

- Marketplace: Insurers can charge 30% more for one year for enrollees who had a break in coverage of more than 62 days in the previous year.
- Changes financial assistance eligibility from income based to age based.
- Allows premiums to be up to five times higher for the oldest individuals, compared to the current threefold maximum.
- Allows for insurers to charge more to those with pre-existing conditions.

The AHCA Changes:

High Risk Pools:

- Urban Institute Report: AHCA allocates a max \$128 billion over nine years, but even the least expensive high-risk pool option would cost around \$359 billion over 10 years if all states set them up.

HSA's

- Raises limits for health savings accounts (HSA's) and lowers the threshold for medical care deductions.
- Authorizes higher tax-free contributions

What plans must cover (EHBs):

- Changes requirements for state Medicaid and Marketplace plans to provide certain “essential health benefits”

10 Essential Health Benefits

- Ambulatory patient services (outpatient care)
- Emergency services
- Hospitalization (inpatient care)
- Pregnancy, maternity, and newborn care (both before and after birth)
- Mental health and substance use disorder services, including behavioral health treatment (includes counseling and psychotherapy)
- Prescription drugs
- Rehabilitative and habilitative services and devices (services and devices to help people with injuries, disabilities, or chronic conditions gain or recover mental and physical skills)
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Before the ACA's **Essential Health Benefits** were in place

- More than 3 in 5 people didn't have **maternity coverage**.
- 1 in 3 people didn't have coverage for **substance use treatment**.
- Close to 1 in 5 people didn't have coverage for **mental health care**.
- Almost 1 in 10 people didn't have any coverage for **prescription drugs** (despite 60 percent of people in this country needing at least one medication each year).



Medicaid



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Medicaid Changes

- Reduces Medicaid's federal matching rates from 90% to rates ranging between 50%-75%. (2020)
- Restructures funding based on per capita allotments
 - States may adopt fixed block grants.
- Changes re-determination dates for Medicaid recipients from once a year to every six months.
 - Redetermination currently every 12 months.
- Continues Medicaid coverage for those enrolled prior to 2020 who do not have any break in eligibility for >1 month.
 - Discontinues Medicaid for enrollees who have a lapse in coverage lasting longer than 1 month.

Medicaid Changes

- Increases funding for health centers in states that did not expand Medicaid.
- Ends federal funding to Planned Parenthood for 1 year.
- Allows a state Medicaid program to impose a work requirement as a condition of eligibility.
 - Likely to incorporate the work requirement rules found in the Temporary Assistance for Needy Families (TANF) program, which provides temporary cash welfare assistance

Congressional Budget Office

“CBO and Joint Committee on Taxation (JCT) estimate that, in 2018, 14 million more people would be uninsured under H.R. 1628 than under current law. The increase in the number of uninsured people relative to the number projected under current law would reach 19 million in 2020 and 23 million in 2026. In 2026, an estimated 51 million people under age 65 would be uninsured, compared with 28 million who would lack insurance that year under current law.”

Ohio: What's At Stake?



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Medicaid Expansion

- 64% reported easier access to general health care services.
- 59% reported better management of chronic conditions
- 43% reported less unmet medical needs.
- A majority reported increased use of preventive and primary care services, which allowed 27% of enrollees to get diagnosed and treated for ongoing medical conditions that had not been previously flagged.
- 34% reported reduced ER visits, and more appropriate usage of the ER.
- 75% of enrollees with an opioid use disorder reported better overall access to health care.
- 59% reported better access to mental health services.
- 44.8% decrease in reported medical debt for expansion enrollees between the beginning and end of this assessment.

Economic Impact

Exhibit 5

Effects of the American Health Care Act on Employment and Economic Growth in Selected States, 2018 and 2026

All changes are compared to the baseline for that year

State	Status*	Employment, 2018	Employment, 2026	Health employment, 2018	Health employment, 2026	Gross state product, 2018	Gross state product, 2026	Business output, 2018	Business output, 2026
Alaska	M	2.2	-2.6	0.1	-1.9	\$265	-\$324	\$505	-\$564
Florida		57.8	-83.2	-0.1	-54.1	\$5,186	-\$8,689	\$8,273	-\$14,193
Kentucky	M	8.5	-16.5	-0.6	-10.5	\$782	-\$1,586	\$1,490	-\$2,582
Maine		3.0	-10.0	-0.3	-5.8	\$268	-\$995	\$486	-\$1,627
Michigan	M, T	-15.7	-50.8	-17.4	-30.6	-\$804	-\$5,070	-\$895	-\$8,032
New York	M	60.8	-86.1	5.0	-61.8	\$7,635	-\$10,465	\$13,428	-\$16,216
Ohio	M	23.8	-41.7	-1.8	-28.1	\$2,471	-\$4,126	\$4,518	-\$6,488
Pennsylvania	M	34.9	-84.9	0.6	-52.5	\$3,562	-\$8,920	\$6,270	-\$14,217
West Virginia	M	3.3	-10.2	-0.2	-6.1	\$345	-\$1,044	\$626	-\$1,729

* M = Medicaid expansion state. T = state terminates expansion if match rate is reduced.

Notes: Values for employment and health employment are in thousands of jobs. Values for gross state product and business output are in millions of current dollars).Source: George Washington University analysis.

Thank you!



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